

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 PM-04 H-01 L-03 NSC-05 PA-01 PRS-01
SP-02 SS-15 USIA-06 MCT-01 CU-02 /074 W
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R 101745Z MAR 77
FM AMEMBASSY ROME
TO SECSTATE WASH DC 3274
INFO TREASURY DEPT WASH DC
AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY PARIS
DIA WASHDC
USMISSION EC BRUSSELS
USMISSION NATO
USMISSION OECD PARIS
AMCONSUL MILAN
AMCONSUL NAPLES
USCINCEUR VAIHINGEN GERMANY
FUFRRSHH/USDOCOSOUTH/FOR INTAF

LIMITED OFFICIAL USE SECTION 1 OF 2 ROME 3964

E.O. 11652: N/A
TAGS: PINT, ELAB, IT, EFIM
SUBJECT: STRIKES IN ITALY

REF: A) ROME 2711; B) ROME 20476

1. SUMMARY: A NUMBER OF RECENT AND PLANNED STRIKES, ESPECIALLY
A NATIONAL STRIKE ANNOUNCED FOR MARCH 18, ARE INTERRUPTING
THE CLIMATE OF RELATIVE LABOR PEACE IN ITALY DEVELOPING IN
RECENT MONTHS. THESE ARE THE RESULT OF A NUMBER OF UNRESOLVED
SITUATIONS, INCLUDING THE FINAL FORM OF THE GOVERNMENT'S
LATEST LABOR COST DECREE (REF.A) STILL AWAITING PARLIAMENTARY
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ACTION. IF THESE SITUATIONS ARE RESOLVED SATISFACTORILY FOR
THE UNIONS, PLANNED STRIKES MAY BE CANCELLED, AND
THE IMPROVED CLIMATE OF LABOR-MANAGEMENT RELATIONS SHOULD
CONTINUE. END SUMMARY.

2. THE CGIL-CISL-UIL (CCU) FEDERATION SECRETARIAT MET WITH
REGIONAL AND CATEGORY UNION LEADERS MARCH 8 AND AGREED ON

A NATIONAL 4-HOUR STRIKE FOR MARCH 18. THE STRIKE WILL BE FOR ALL WORKERS IN SOUTH ITALY, PLUS INDUSTRIAL WORKER (METAL, CHEMICAL, FOOD, TEXTILE AND CONSTRUCTION), IN THE NORTH.

3. THE STRIKE IS A DELIBERATELY DELAYED UNION RESPONSE TO CERTAIN FEATURES OF THE ANDREOTTI GOVERNMENT'S FEB 4 DECREE TO RESTRAIN LABOR COST INCREASES BY "FISCALIZING" A FIXED AMOUNT PER EMPLOYEE OF INDUSTRIAL EMPLOYERS, SOCIAL CONTRIBUTIONS, ENOUGH TO OFFSET FOUR POINTS OF THE FEBRUARY COST-OF-LIVING ESCALATOR INCREASE AND THREE POINTS OF THE MAY INCREASE (REF.A). THE UNIONS ARE PRESSING THE GOVERNMENT AND POLITICAL PARTIES TO MODIFY OR ELIMINATE TWO SURPRISE PROVISIONS OF THAT DECREE. ONE EXEMPTS VALUE ADDED TAX (IVA) INCREASES TO FINANCE "FISCALIZATION" FROM COVERAGE BY THE COST-OF-LIVING ESCALATOR UNDER THE NATIONAL LABOR MANAGEMENT AGREEMENT. THE OTHER PENALIZES THOSE EMPLOYERS WHO CONCEDE COMPANY LEVEL WAGE INCREASES BY DENYING THEM BOTH "FISCALIZATION" BENEFITS AND TAX WRITE-OFFS FOR THE INCREASES. PARLIAMENT SHOULD ACT ON THE DECREE SOON, AND MUST ENACT IT BY APRIL 4, OR IT WILL EXPIRE.

4. A STUNG BY CRITICISM BY CHRISTIAN DEMOCRATIC PARTY FIGURES, INCLUDING MINISTERS ANSELMI AND DE MITA, THAT THE UNIONS WERE PROTECTING NORTHERN INDUSTRIAL WORKERS WAGE AND COST-OF-LIVING ESCALATOR INCREASES AT THE EXPENSE OF EMPLOYMENT OPPORTUNITIES, ESPECIALLY IN THE SOUTH, AND SENSITIVE ALSO TO CRITICISM BY DESPERATE AND UNRULY UNIVERSITY STUDENTS WITH LITTLE HOPE OF EMPLOYMENT AFTER GRADUATION, THE CCU IS OFFICIALLY FOCUSING THE STRIKE PRIMARILY ON INVESTMENT LIMITED OFFICIAL USE

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AND EMPLOYMENT IN SOUTH ITALY AND ONLY SECONDARILY ON AMENDMENT OF THE GOVERNMENT'S "FISCALIZATION" DECREE. THEREFORE, THE STRIKE WILL BE GENERAL IN SOUTH ITALY, SUPPORTED BY STRIKES BY INDUSTRIAL WORKERS (METAL, CHEMICAL, TEXTILE, FOOD AND CONSTRUCTION) IN THE NORTH. IT WILL BE FOLLOWED BY LOCAL, MOSTLY-POLITICAL ACTIONS WHERE PARTICULAR INVESTMENTS ARE DEMANDED. THE STRIKES AND FOLLOW UP ACTIONS COME IN THE WAKE OF A SERIES OF INCONCLUSIVE UNION-GOVERNMENT MEETINGS ABOUT GOVERNMENT INVESTMENT PLANS IN SPECIFIC SECTORS. UNION SPOKESMEN COMPLAIN THAT GOVERNMENT INVESTMENT PLANS ARE GROSSLY INADEQUATE AND THAT THE GOVERNMENT FAILED TO PROPOSE ANY NEW INVESTMENT DURING THE MEETINGS.

5. THE CCU METALWORKERS' FEDERATION (FLM) AND THE MILAN PROVINCIAL CCU HAD ALREADY PROCLAIMED A 4-HOUR STRIKE FOR MARCH 11 AGAINST THE "FISCALIZATION" DECREE, BUT HAD EXPRESSED WILLINGNESS TO MODIFY THEIR PLANS AND INCORPORATE THEM IN A EFFECTIVE NATIONAL STRIKE PLAN. THE MILAN CCU HAS NOW POSTPONED ITS STRIKE TO MARCH 18, BUT THE FLM,

AT AN ASSEMBLY OF OVER A THOUSAND DELEGATES AT FLORENCE,
HAS DECIDED TO HOLD A 2-HOUR, RATHER THAN 4-HOUR/STRIKE MARCH
11, AT MAJOR ENTERPRISES WHERE CONTRACT NEGOTIATIONS ARE UNDER-
WAY. THE MARCH 11 STRIKE WILL BE "IN SUPPORT OF" OF THE
MARCH 18 STRIKE, IN WHICH FLM WILL ALSO PARTICIPATE.
CHEMICAL WORKERS ARE REPORTEDLY FOLLOWING THE FLM PATTERN.

6. NATIONAL GOVERNMENT EMPLOYEES, UPSET THAT THEY ARE STILL
NOT RECEIVING THE INCREASES AGREED ON IN DECEMBER (REF.B)
AND DUE IN JANUARY, ARE ALSO CONSIDERING STRIKE ACTION,
WHICH COULD COINCIDE WITH THE NATIONAL STRIKE MARCH 18.
LOCAL GOVERNMENT EMPLOYEES STRUCK MARCH 10.

7. A NUMBER OF SHORT STRIKES, BY PARTICULAR CA-
TEGORIES OF WORKERS HAVE INTERRUPTED PRODUCTION AT FIAT,
WHERE CONTRACT RENEWAL NEGOTIATIONS ARE STALLED PENDING
CLARIFICATION OF THE FINAL FORM THE PARLIAMENT WILL GIVE
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TO THE "FISCALIZATION" DECREE-LAW, PARTICULARLY AS REGARDS
PENALTIES FOR COMPANIES CONCEDING NEGOTIATED WAGE INCREASES.
OTHER MAJOR NEGOTIATIONS (OLIVETTI, IRI, ENI, PIRELLI, MONTEDISON,
ETC.) ARE SIMILARLY STALLED.

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LIMITED OFFICIAL USE SECTION 2 OF 2 ROME 3964

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8. AIRPORT AND TRANSPORTATION FACILITIES IN SOUTHERN ITALY WILL PROBABLY NOT BE SERIOUSLY AFFECTED BY THE MARCH 18 STRIKE, (THE NORTH SHOULD NOT BE AFFECTED AT ALL). AIRPORT UNIONS HAVE NOT MADE THEIR FINAL DECISIONS YET. ONLY LOCAL STATION PERSONNEL ARE EXPECTED TO STRIKE IN THE RAILROADS AND THE LOCAL TRANSIT WORKERS UNION WILL INTERRUPT SERVICES
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IN MOST LOCALITIES ONLY FOR 30 MINUTES, BUT MAY HOLD LONGER STRIKES IN MAJOR CENTERS LIKE NAPLES AND BARI. MEANWHILE, STRIKES BY TANK TRUCK OPERATORS AND MANY GAS STATION OPERATORS ARE AFFECTING NORTH ITALY SERIOUSLY AND THE LATTER IS NOW EXTENDED TO ROME AND SOUTH ITALY, ALTHOUGH WITH ONLY MARGINAL EFFECT. A TWO-DAY GAS STATION STRIKE BY A MAJOR NATIONAL ASSOCIATION OF CITY GAS STATION OPERATORS BEGAN AT 7 PM MARCH 9 AND A SIMILAR STRIKE BY TURNPIKE AND HIGHWAY GAS STATIONS BEGAN LATER THAN EVENING. THE TRUCKERS AND GAS STATION OPERATORS ARE PRESSING OIL COMPANIES FOR INCREASED RATES OR MARK-UPS AND THE COMPANIES, IN TURN, ARE PRESSING THE GOVERNMENT FOR INCREASES IN ADMINISTERED GASOLINE PRICES. THE TANK TRUCKERS STRIKE, WHICH PARALYZED GASOLINE SUPPLIES IN THE NORTH, ENDED MARCH 11 WITH A GOVERNMENT-MEDIATION SETTLEMENT.

9. COMMENT. ITALY'S IMPROVED LABOR-MANAGEMENT CLIMATE, PARTICULARLY SINCE THE CONFINDUSTRIA-CCU AGREEMENT, HAS BEEN MOMENTARILY INTERRUPTED PRINCIPALLY BY UNCERTAINTY ABOUT THE FINAL NORM OF SOME PROVISION OF THE "FISCALIZATION" DECREE LAWS, AND IF THIS UNCERTAINTY IS RESOLVED IN A WAY THE UNIONS CAN ACCEPT, THE LABOR-RELATIONS CLIMATE IS LIKELY TO CONTINUE TO IMPROVE AND TO BECOME MORE SIMILAR TO THAT ELSEWHERE IN EUROPE. ALTHOUGH THE "FISCALIZATION" DECREE PROVISIONS ARE THE MAIN CAUSE ON LABOR UNREST, THE UNION LEADERS FEEL THE NEED TO SAVE FACE BY GIVING

FIRST PRIORITY TO UNEMPLOYMENT AND THE SOUTH.BEAUDRY

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Message Attributes

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Sent Date: 10-Mar-1977 12:00:00 am
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Disposition Date: 22 May 2009
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